

STATE OF WASHINGTON

MIKE KREIDLER  
STATE INSURANCE COMMISSIONER

Phone: (360) 725-7000



FILED

DEC 09 2005

Hearings Unit, OIC  
Patricia D. Petersen  
Chief Hearing Officer

**DECLARATION OF MAILING**

I declare under penalty of perjury  
under the laws of the State of  
Washington that on the date listed  
below, I mailed or caused delivery  
of a true copy of this document to

*parties below*  
DATED this 14th day of December, 2005  
at Tumwater, Washington.

Signed: Wendy Galloway

OFFICE OF  
**INSURANCE COMMISSIONER**  
**HEARINGS UNIT**

Fax: (360) 664-2782

Patricia D. Petersen  
Chief Hearing Officer  
360) 725-7105

Wendy Galloway  
Administrative Assistant  
(360) 725-7002  
Wendyg@OIC.wa.gov.

BEFORE THE STATE OF WASHINGTON  
OFFICE OF INSURANCE COMMISSIONER

In the Matter of the Acquisition of:	)	
<b>PACIFICARE OF WASHINGTON, INC.,</b>	)	<b>NO. G05-88</b>
By	)	<u>AMENDED ORDER</u>
<b>UNITEDHEALTH GROUP</b>	)	<b>TERMINATING ADJUDICATIVE</b>
<b>INCORPORATED.</b>	)	<b>PROCEEDINGS</b>
	)	
	)	

**TO:** James E. Hadley  
Ryan Swanson & Cleveland, PLLC  
1201 Third Avenue, Suite 3400  
Seattle, Washington 98101-3034

Mr. Jeffrey L. Gingold  
Lane Powell PC  
1420 5th Avenue, Suite 4100  
Seattle, Washington 98101-2338

UnitedHealth Group Incorporated  
5901 Lincoln Drive  
Edina, Minnesota 55436

PacificCare of Washington  
5995 Plaza Drive, MS CY20-267  
Cypress, CA 90630

**COPY TO:** Mike Kreidler, Insurance Commissioner  
Michael G. Watson, Chief Deputy Insurance Commissioner  
James T. Odiorne, Deputy Commissioner, Company Supervision Div.



Carol Sureau, Deputy Commissioner, Legal Affairs  
Katherine White, Staff Attorney, Legal Affairs Division  
Office of the Insurance Commissioner  
PO Box 40255  
Olympia, WA 98504-0255

**AND TO:** Christina Beusch, Assistant Attorney General  
Office of the Attorney General  
PO Box 40100  
Olympia, WA 98504-0100

The purpose of this Amended Order Terminating Proceedings is solely to correct an inadvertent omission (underlined) in the original draft, which is now included on page three of this Amended Order. All other portions of the original Order Terminating Adjudicative Proceedings entered on December 9, 2005 remain unchanged.

On November 23, 2005, the Insurance Commissioner (Commissioner) filed the Form A Statement Regarding the Acquisition of a Domestic Health Carrier and associated supplementary information with the undersigned. This Form A relates to the acquisition of control by UnitedHealth Group, Inc. of PacifiCare of Washington, Inc. and its affiliates. At that time, by letter dated November 23, 2005 which accompanied the subject Form A, the Commissioner advised that he was satisfied that the Form A was complete and requested that the undersigned commence an adjudicative proceeding to hear and determine whether approval of this proposed acquisition should be granted.

Accordingly, on December 5, 2005 the undersigned held a prehearing conference which included all parties. UnitedHealth Group, Inc. was represented by James Hadley, Esq. of Ryan Swanson & Cleveland in Seattle and PacifiCare of Washington, Inc. was represented Jeffrey L. Gingold, Esq. of Lane Powell in Seattle. The nature of this prehearing conference and decisions made therein concerning scheduling the hearing and other matters are reflected in the Order on Prehearing Conference entered by the undersigned December 6, 2005 as amended.

Subsequently, by letter filed with the undersigned dated December 9, 2005 and filed herein on that date, the Commissioner advised that, while he had requested an adjudicative proceeding in this matter, that he was withdrawing his request and asking that the Form A submission be returned to him. The undersigned is advised that it is the intent of the Commissioner to proceed with consideration and decision of this matter in a nonadjudicative manner, which will not include participation from the undersigned, on December 19, 2005.

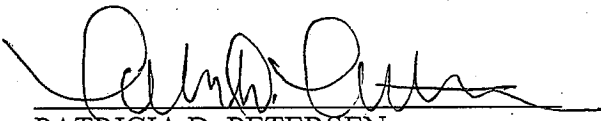
Chapter 48.31C, the Holding Company Act which applies to health care service contractors and health maintenance organizations, and which is cited by the Commissioner in his letter withdrawing his request, provides, in RCW 48.31C.030(4), provides that *The commissioner shall approve an exchange or other acquisition of control referred to in this section within sixty days after he or she declares the statement filed under this section to be complete and if a hearing is requested by the commissioner*

*or either party to the transaction, after holding a public hearing.* The Commissioner is therefore, as stated in his aforereferenced December 9, 2005 letter, basing his withdrawal of request for adjudicative proceeding on his determination that RCW 48.31C.030(4) permits, but does not require, the Commissioner or either party to the transaction to request an adjudicative hearing prior to approval or disapproval of the Form A application. The undersigned has not been requested to, or made, any determination about the propriety of this decision to change from the adjudicative hearing process, which has been in progress since 11/23/05, to the nonadjudicative public meeting forum, or about the decision process in this matter from this time forward.

Based upon the above activity,

IT IS HEREBY ORDERED that the proceeding in this matter is terminated.

ENTERED at Tumwater, Washington, this 9<sup>th</sup> day of December, 2005, pursuant to Title 48 RCW, Title 34 RCW and regulations applicable thereto.

  
\_\_\_\_\_  
PATRICIA D. PETERSEN  
Presiding Officer